## A BILL FOR AN ACT

RELATING TO EDUCATION.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Section 302D-1, Hawaii Revised Statutes, is					
2	amended as follows:					
3	1. By adding a new definition to be appropriately inserted					
4	and to read:					
5	""Applicant governing board" means the initial governing					
6	board that is:					
7	(1) Established by an eligible group or entity to submit a					
8	charter application pursuant to section 302D-13; and					
9	(2) Not subject to section 302D-12."					
10	2. By amending the definition of "conversion charter					
11	school" to read:					
12	""Conversion charter school" means:					
13	(1) Any existing department school that converts to a					
14	charter school and is managed and operated in					
15	accordance with section $[302D 14;]$ 302D-13; or					
16	(2) Any existing department school that converts to a					

charter school and is managed and operated by a

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              nonprofit organization in accordance with section
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              [<del>302D-14.</del>] 302D-13."
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         3. By amending the definition of "start-up charter school"
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    to read:
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         ""Start-up charter school" means a new charter school
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    established under section 302D-13[-] that is not a conversion
7
    charter school."
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         SECTION 2. Section 302D-3, Hawaii Revised Statutes, is
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    amended by amending subsection (f) to read as follows:
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         "(f) Five members of the commission shall constitute a
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    quorum to conduct business [and]. Any action taken by the
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    commission shall be by a simple majority of the members of the
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    commission who are present; provided that any action of the
14
    commission that may be appealed pursuant to section 302D-15
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    shall require a concurrence of at least five members [shall be
16
    necessary to make any action of the commission] to be valid."
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         SECTION 3. Section 302D-5, Hawaii Revised Statutes, is
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    amended by amending subsection (b) to read as follows:
19
         "(b) An authorizer shall:
              Act as [the] a point of contact between the department
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         (1)
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              and a public charter school it authorizes;
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1	(2)	Be responsible for and ensure the compliance of a						
2	public charter school it authorizes with all							
3	applicable state and federal laws, including reporting							
4		requirements;						
5	(3)	Be responsible for the receipt of applicable federal						
6		funds from the department and the distribution of						
7		funds to the public charter school it authorizes; and						
8	(4)	Be responsible for the receipt of per-pupil funding						
9		from the department of budget and finance and						
10		distribution of the funding to the public charter						
11		school it authorizes."						
12	SECT	ION 4. Section 302D-12, Hawaii Revised Statutes, is						
13	amended t	o read as follows:						
14	<b>"</b> §30	2D-12 Charter school governing boards; powers and						
15	duties.	(a) No person may serve on the governing board of a						
16	charter s	chool if the person is an employee or former employee						
17	of any ch	arter school under the jurisdiction of that governing						
18	board, a	relative of an employee or former employee of any						
19	charter s	chool under the jurisdiction of that governing board,						
20	or any ve	ndor or contractor providing goods or services to any						

1	Charter s	chool under the jurisdiction of that governing board,
2	unless:	
3	(1)	The person is a former employee of a charter school
4		under the jurisdiction of that governing board and at
5		least one year has passed since the conclusion of the
6		former employee's employment with that charter school
7	(2)	The person is a relative of a former employee of a
8		charter school under the jurisdiction of that
9		governing board and at least one year has passed since
10		the conclusion of the former employee's employment
11		with that charter school;
12	(3)	The person is a vendor or contractor and at least one
13		year has passed since the conclusion of the vendor or
14		contractor's service to a charter school under the
15		jurisdiction of that governing board; or
16	(4)	The [person's] person serving on the governing board
17		shall not cause more than one-third of the voting
18		members of the governing board to be made up of:
19		(A) Employees or former employees of any charter
20		school that is under the jurisdiction of that
21		governing board; provided that this subparagraph

1			shall not include persons who are covered under
2			paragraph (1);
3	(	(B)	Relatives of employees or of former employees of
4			any charter school that is under the jurisdiction
5			of that governing board; provided that this
6			subparagraph shall not include persons who are
7			covered under paragraph (2); and
8	•	(C)	Vendors or contractors who are providing goods or
9			services to any charter school that is under the
10			jurisdiction of that governing board; provided
11			that this subparagraph shall not include persons
12			who are covered under paragraph (3).
13	(b)	In se	electing governing board members, consideration
14	shall be gi	iven	to persons who:
15	(1) I	Provi	ide the governing board with a diversity of
16	Ī	pers	pective and a level of objectivity that accurately
17	1	repre	esent the interests of the charter school students
18	, 6	and t	the surrounding community;
19	(2) I	Demor	nstrate an understanding of best practices of
20	r	ıonpı	rofit governance; and

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1	(3)	Possess strong financial and academic management and
2		oversight abilities, as well as human resource and
3		fundraising experience.
4	(c)	No employee or former employee of a charter school,

- 5 relative of an employee or former employee of a charter school, 6 or any vendor or contractor providing goods or services to a 7 charter school may serve as the chair of the governing board of 8 that charter school unless at least one year has elapsed since 9 the conclusion of the employee's employment with the school or 10 the conclusion of a vendor's or contractor's service to the 11 school; provided that an authorizer may grant an exemption from 12 the provisions of this subsection based upon a determination by 13 the authorizer that an exemption is in the best interest of the 14 charter school.
  - (d) A nonprofit organization that has been approved by an authorizer to operate and manage a conversion charter school and serve as the conversion charter school's governing board shall establish the nonprofit organization's board of directors as the governing board and shall not be selected pursuant to subsections (a), (b), and (c); provided that:

1	(1)	The nonprofit organization may also appoint advisory
2		groups of community representatives for each
3		conversion charter school managed by the nonprofit
4		organization; provided that these groups shall not
5		have governing authority over the conversion charter
6		school and shall serve only in an advisory capacity to
7		the nonprofit organization;
8	(2)	The board of directors of the nonprofit organization,
9		as the governing board of the conversion charter
10		school that it operates and manages, shall have the
11		same protections that are afforded to all other
12		governing boards in its role as the conversion charter
13		school governing body;
14	(3)	Any conversion charter school that is managed and
15		operated by a nonprofit organization shall be eligible
16		for the same federal and state funding as other public
17		schools; provided that nothing in this section shall
18		prohibit a nonprofit organization from making a
19		contribution toward the operation of a conversion
20		charter school; and

1	(4)	If, at any time, the board of directors of the
2	1	nonprofit organization governing the conversion
3	<u>.</u>	charter school votes to discontinue its relationship
4	7	with the charter school as the charter contract
5	<u></u>	nolder, the conversion charter school's
6	<u>3</u>	administrators, teachers, or community may submit a
7	<u>.</u>	charter application to the authorizer, in accordance
8	<u>-</u>	with section 302D-13 to continue as a conversion
9	<u>(</u>	charter school without the participation of the
10	1	nonprofit organization.
11	[ <del>(d)</del> ]	(e) Section 78-4 shall not apply to members of
12	governing l	poards; provided that no governing board member shall
13	be allowed	to serve on more than two governing boards
14	simultaneou	usly. For purposes of this subsection, a governing
15	board that	governs more than one charter school shall be
16	considered	one board.
17	[ <del>(e)</del> ]	(f) The governing board shall be the independent
18	governing l	oody of its charter school and shall have oversight
19	over and be	e responsible for the financial, organizational, and
20	academic v	iability of the charter school, implementation of the
21	charter, a	nd the independent authority to determine the

- 1 organization and management of the school, the curriculum,
- 2 virtual education, and compliance with applicable federal and
- 3 state laws. The governing board shall ensure its school
- 4 complies with the terms of the charter contract between the
- 5 authorizer and the school. The governing board shall have the
- 6 power to negotiate supplemental collective bargaining agreements
- 7 with the exclusive representatives of their employees.
- **8** [<del>(f)</del>] (g) Governing boards and charter schools shall be
- 9 exempt from chapter 103D, but shall develop internal policies
- 10 and procedures for the procurement of goods, services, and
- 11 construction, consistent with the goals of public accountability
- 12 and public procurement practices. Governing boards and charter
- 13 schools are encouraged to use the provisions of chapter 103D
- 14 wherever possible; provided that the use of one or more
- 15 provisions of chapter 103D shall not constitute a waiver of the
- 16 exemption from chapter 103D and shall not subject the charter
- 17 school to any other provision of chapter 103D.
- 18 [<del>(q)</del>] (h) Charter schools and their governing boards shall
- 19 be exempt from the requirements of chapters 91 and 92. The
- 20 governing boards shall:
- 21 (1) Hold meetings open to the public;

1	(2)	Make	available the notices and agendas of public
2		meeti	ngs:
3		(A)	At a publicly accessible area in the charter
4			school's office so as to be available for review
5			during regular business hours; and
6		(B)	On the charter school's internet website not less
7			than six calendar days prior to the public
8			meeting, unless a waiver is granted by the
9			authorizer or authorizer's designee in the case
10			of an emergency; and
11	(3)	Make	available the minutes from public meetings within
12		thirt	y days and maintain a list of the current names
13		and o	contact information of the governing board's
14		membe	ers and officers:
15		(A)	In the charter school's office so as to be
16			available for review during regular business
17			hours; and
18		(B)	On the charter school's internet website.
19	[ <del>-(h)-</del>	] <u>(i)</u>	All charter school employees and members of
20	governing	board	ds shall be subject to chapter 84.

1	[ <del>(i)</del> ] <u>(j)</u> Governing boards shall be exempt from sections
2	26-34 and 26-36. The State shall afford the governing board of
3	any charter school the same protections as the State affords th
4	board in accordance with section 26-35.5.
5	[ <del>(j)</del> ] <u>(k)</u> For purposes of this section:
6	"Employees" shall include but not be limited to:
7	(1) The chief executive officer, chief administrative
8	officer, executive director, or otherwise designated
9	head of a charter school; and
10	(2) Any person under an employment contract to serve as
11	the chief executive officer, chief administrative
12	officer, executive director, or designated head of a
13	charter school.
14	"Relative" means a spouse, fiance, or fiancee of the
15	employee; any person who is related to the employee within four
16	degrees of consanguinity; or the spouse, fiance, or fiancee of
17	such person.
18	$\left[\begin{array}{cc} \overline{(k)} \end{array}\right]$ (1) Governing boards shall have the power to make
19	and execute contracts and all other instruments necessary or
20	convenient for the exercise of their duties and functions under
21	this charter [Whonever a sharter school or severning heard

1 seeks to enter into a contract with a private organization, whether for profit or nonprofit, to manage or operate the 2 3 charter school, which contract requires the private organization 4 to employ or otherwise provide the charter school with an 5 individual to serve in the capacity of the chief executive 6 officer, chief administrative officer, executive director, or 7 designated head of the charter school, the charter school's 8 governing board, in consultation with the state ethics 9 commission, shall adopt standards of conduct that shall apply to **10** the chief executive officer, chief administrative officer, 11 executive director, or designated head of the charter school. 12 The standards of conduct shall include provisions relating to 13 gifts, fair treatment or misuse of position, and conflicts of 14 interest, and shall be incorporated into and made part of any 15 contract or arrangement between the charter school or governing board and the private organization for those services.] " 16 SECTION 5. Section 302D-13, Hawaii Revised Statutes, is **17** 18 amended to read as follows: 19 "§302D-13 Start-up and conversion charter schools;

establishment. (a) New start-up and conversion charter schools

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may be established pursuant to this section.

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1	(b)	Any community, department school, school community
2	council,	group of teachers, group of teachers and
3	administr	ators, or nonprofit organization may submit a letter of
4	intent to	an authorizer to form a charter school[ $_{7}$ ] and
5	establish	[a] an applicant governing board [as its governing
6	body, and	]. An applicant governing board may develop a charter
7	applicati	on pursuant to [subsection (d).] this section; provided
8	that:	
9	(1)	An applicant governing board established by a
10		community may develop a charter application for a
11		start-up charter school;
12	(2)	An applicant governing board established by a
13		department school or a school community council may
14		develop a charter application for a conversion charter
15		school;
16	(3)	An applicant governing board established by a group of
17		teachers or a group of administrators may develop a
18		charter application for a start-up or conversion
19		charter school; and
20	(4)	A nonprofit_organization may:



1	<u>(A)</u>	<u>Esta</u> l	olish an applicant governing board that is
2		sepa	rate from the nonprofit organization and
3		deve:	lop a charter application for a start-up or
4		conve	ersion charter school; or
5	(B)	Estal	olish an applicant governing board that shall
6		be tl	he board of directors of the nonprofit
7		orgai	nization and may develop a charter
8		appl:	ication for a conversion charter school;
9		prov	ided that any nonprofit organization that
10		seek	s to manage and operate a conversion charter
11		scho	ol shall:
12		<u>(i)</u>	Submit to the authorizer at the time of the
13			charter application bylaws or policies that
14			describe the manner in which business is
15			conducted and policies that relate to the
16			management of potential conflict of interest
17			situations;
18		(ii)	Have experience in the management and
19			operation of public or private schools or,
20			to the extent necessary, agree to obtain

1			appropriate services from another entity or
2			entities possessing such experience; and
3		<u>(iii)</u>	Not interfere in the operations of the
4			department school to be converted until
5			otherwise authorized by the authorizer in
6			consultation with the department.
7	(c) Th	ne [ <del>star</del>	t up] charter school [charter] application
8	process and	schedul	e shall be determined by the authorizer, and
9	shall provid	de for a	nd include, at a minimum, the following
10	elements:		
11	<u>(1)</u> <u>T</u> r	ne issua	nce and publication of a request for
12	pı	coposals	by the authorizer on the authorizer's
13	<u>ir</u>	nternet	website that, at a minimum:
14	<u>(</u> [	A) Soli	cits charter applications and presents the
15		auth	orizer's strategic vision for chartering;
16	<u>(</u> E	3) Incl	udes or directs applicant governing boards to
17		the	performance framework developed by the
18		auth	orizer in accordance with section 302D-16;
19	(0	C) Incl	udes criteria that will guide the
20		auth	orizer's decision to approve or deny a
21		char	ter application;

1		<u>(D)</u>	States clear, appropriately detailed questions
2			and provides guidelines concerning the format and
3			content essential for applicant governing boards
4			to demonstrate the capacities necessary to
5			establish and operate a successful charter
6			school; and
7		(E)	Requires charter applications to provide or
8			describe all essential elements, as determined by
9			the authorizer, of proposed school plans;
10	[ <del>(1)</del> ]	(2)	The submission of a letter of intent to open and
11		oper	ate a start-up charter school[+] or to convert a
12		depa	rtment school to a conversion charter school;
13	[ <del>(2)</del>	<del>The</del>	availability of the charter application form and
14		comp	letion guidelines on the authorizer's website;
15	(3)	The	timely submission of a completed charter
16		appl	ication to the authorizer; provided that a charter
17		appl	ication for a conversion charter school shall
18		incl	ude certification and documentation that the
19		char	ter application was approved by a majority of the
20		vote	s cast by existing administrative, support, and

1		<u>teac</u>	her personnel, and parents of students at the
2		exis	ting department school; provided that:
3		<u>(A)</u>	This vote shall be considered by the authorizer
4			to be the primary indication of the existing
5			administrative, support, and teaching personnel,
6			and parents' approval to convert to a charter
7			school;
8		<u>(B)</u>	The balance of stakeholders represented in the
9			vote and the extent of support received in
10			support of the conversion shall be key factors,
11			along with the applicant's proposed plans, to be
12			considered by the authorizer when deciding
13			whether to award a charter; and
14		<u>(C)</u>	A breakdown of the number of administrative,
15			support, and teaching personnel, and parents of
16			students who constitute the existing department
17			school and the number who actually participated
18			in the vote shall be provided to the authorizer;
19	(4)	The	timely review of the charter application by the
20		auth	orizer for completeness, and notification by the

1		authorizer to the applicant governing board that the
2		charter application is complete;
3	(5)	Upon receipt of a completed charter application, the
4		review and evaluation of the charter application by
5		qualified persons[+] including but not limited to:
6		(A) An in-person interview with representatives from
7		the applicant governing board; and
8		(B) An opportunity in a public forum for the public
9		to provide input on each charter application;
10	(6)	Following the review and evaluation of a charter
11		application, approval or denial of the charter
12		application by the authorizer[+] in a meeting open to
13		the public;
14	(7)	A provision for a final date by which a decision to
15		approve or deny a charter application must be made by
16		the authorizer, upon receipt of a complete charter
17		application; and
18	(8)	A provision that no [start-up] charter school may
19		begin operation before obtaining authorizer approval
20		of its charter application and charter contract and
21		fulfilling pre-opening requirements that may be

1		imposed by the authorizer [-], pursuant to section
2		302D-14.5.
3	(d)	A charter application to become a start-up or
4	conversion	charter school shall meet the requirements of this
5	subsection	n [and], section 302D-25[+], and any other requirements
6	set by the	e authorizer. The charter application shall, at a
7	minimum[ <del>,</del>	include the following: ]:
8	(1)	[A description of employee rights and management
9		issues and a framework for addressing those issues
10		that protects the rights of employees;   Include plans
11		for a charter school that are likely to satisfactorily
12		meet the academic, financial, organizational, and
13		operational performance indicators, measures, and
14		metrics set forth in the authorizer's performance
15		framework, pursuant to section 302D-16;
16	(2)	[A plan for identifying, recruiting, and retaining
17		highly qualified instructional faculty as defined by
18		the department; Include plans for a charter school
19		that is in compliance with applicable laws; and

1	(3)	[ <del>A p</del>	lan for identifying, recruiting, and selecting
2		stud	ents that is not exclusive, elitist, or
3		segr	egationist, and complies with this chapter;
4	-(4)	<del>The</del>	curriculum and instructional framework to be used
5		<del>to-a</del>	chieve student outcomes, including an assessment
6		<del>plan</del>	<del>;</del>
7	<del>(5)</del>	A pl	an for the assessment of student, administrative
8		supp	ort, and teaching personnel performance that:
9		<del>(A)</del> -]	Recognizes the interests of the general
10			public[+].
11		[ <del>-(B)</del> -	Incorporates or exceeds the educational content
12			and performance standards developed by the
13			department for the public school system;
14		<del>(C)</del>	Includes a system of faculty and staff
15			accountability that holds faculty and staff
16			individually and collectively accountable for
17			their performance, and that is at least
18			equivalent to the average system of
19			accountability in public schools throughout the
20			State; and

1		(D) Provides for program audits and annual financial
2		audits;
3	<del>(6)</del>	A governance structure for the charter school that
4		incorporates a conflict of interest policy and a plan
5		for periodic training to carry out the duties of
6		governing board members;
7	<del>(7)</del>	A description of the constitution of the governing
8		board, terms of governing board members, and the
9		process by which governing board members were
10		selected;
11	-(8)	A financial plan based on the most recent fiscal
12		year's per-pupil charter school allocation that
13		demonstrates the ability to meet the financial
14		obligations of one-time, start up costs and ongoing
15		costs such as monthly payrolls, faculty recruitment,
16		professional development, and facilities costs; and
17	<del>(9)</del>	A facilities plan.
18	(e)	In reviewing a charter application under this section
19	an author	izer shall take into consideration the constitution of
20	the [ <del>app]</del>	icant's applicant governing board, terms of applicant

- 1 governing board members, and the process by which applicant
- 2 governing board members were selected.
- 3 (f) In reviewing charter applications under this section,
- 4 an authorizer shall develop a schedule to approve or deny a
- 5 charter application by the end of the calendar year prior to the
- 6 opening year of the proposed charter school for purposes of
- 7 meeting any deadlines to request funding from the
- 8 legislature [-]; provided that nothing in this section shall be
- 9 construed as requiring an authorizer to accept and review
- 10 charter applications annually.
- 11 (q) If a conflict between the provisions in this section
- 12 and other provisions in this chapter occurs, this section shall
- 13 control."
- 14 SECTION 6. Section 302D-14.5, Hawaii Revised Statutes, is
- 15 amended as follows:
- 1. By amending subsections (a) through (c) to read:
- 17 "(a) The authorizer may require [a charter] an applicant
- 18 governing board whose charter application is approved by the
- 19 authorizer pursuant to section 302D-13 [or 302D 14] to
- 20 satisfactorily meet pre-contracting criteria set by the

- 1 authorizer before being allowed to enter into a charter
- 2 contract.
- 3 (b) An approved [charter] applicant governing board that
- 4 fails to satisfactorily meet the pre-contracting criteria and
- 5 enter into a charter contract with its authorizer within the
- 6 period initially established or subsequently extended by the
- 7 authorizer shall be considered to have withdrawn its
- 8 application.
- 9 (c) [A charter] An applicant governing board shall not be
- 10 considered an entity of the State [until the], but shall have
- 11 the authority to execute the initial charter contract; provided
- 12 that the term of duration of the initial charter contract shall
- 13 not exceed five years, not including the pre-opening period.
- 14 Upon the execution of the initial charter contract, the
- 15 applicant governing board shall become the governing board of
- 16 the newly established pre-opening charter school [is established
- 17 by execution of the charter contract]. A pre-opening charter
- 18 school that is a conversion charter school shall be a separate
- 19 entity of the State from the department school from which it is
- 20 converting during the start-up period."
- 21 2. By amending subsection (f) to read:

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         "(f) An approved [charter] applicant governing board that
2
    withdraws its application shall not be allowed to execute a
3
    charter contract unless it reapplies and has its charter
4
    application approved by an authorizer in accordance with this
5
    chapter."
6
         SECTION 7. Section 302D-17, Hawaii Revised Statutes, is
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    amended by amending subsection (b) to read as follows:
8
         "(b) Each authorizer shall annually publish and provide,
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    as part of its annual report to the board and the legislature, a
10
    performance report for each public charter school it oversees,
    in accordance with the performance framework set forth in the
11
12
    charter contract and section 302D-16. The authorizer [shall]
13
    may require each public charter school it oversees to submit an
14
    annual report to assist the authorizer in gathering complete
15
    information about each school. The annual report [shall] may
    include the status of the charter school's compliance with
16
17
    annual performance targets, as determined by the charter
18
    contract."
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SECTION 8. Section 302D-21, Hawaii Revised Statutes, is

amended to read as follows:

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1	"§30	2D-21 Annual board report. No later than [twenty days
2	<del>prior to</del>	the convening] the opening day of each regular session
3	of the le	gislature, the board shall issue to the governor, the
4	legislatu	re, and the public, an annual report on the State's
5	public ch	arter schools, drawing from the annual reports
6	submitted	by every authorizer, as well as any additional
7	relevant	data compiled by the board, for the school year ending
8	in the pr	eceding calendar year. The annual report shall
9	include:	
10	(1)	The board's assessment of the successes, challenges,
11		and areas for improvement in meeting the purposes of
12		this chapter, including the board's assessment of the
13		sufficiency of funding for public charter schools, and
14		any suggested changes in state law or policy necessary
15	•	to strengthen the State's public charter schools;
16	(2)	A line-item breakdown of all federal funds received by
17		the department and distributed to authorizers;
18	(3)	Any concerns regarding equity and recommendations to
19		improve access to and distribution of federal funds to
20		public charter schools; and

1	(4) A discussion of all board policies adopted in the
2	previous year, including a detailed explanation as to
3	whether each policy is or is not applicable to charter
4	schools."
5	SECTION 9. Section 302D-24, Hawaii Revised Statutes, is
6	amended by amending subsection (a) to read as follows:
7	"(a) When the department considers whether to close any
8	particular department school, the department shall submit a
9	notice of possible availability of a department school or notice
10	of vacancy of a department school to the board pursuant to
11	section 302A-1151.5(b) [; provided that the department has not
12	elected to use the department school to support education
13	<del>programs</del> ]."
14	SECTION 10. Section 302D-26, Hawaii Revised Statutes, is
15	amended by amending subsection (e) to read as follows:
16	"(e) The department shall establish a process that permits
17	employees of department public schools that become conversion
18	charter schools pursuant to section $[302D-14]$ $302D-13$ to
19	transfer to a department public school governed by chapter
20	302A."

- 1 SECTION 11. Section 302D-33, Hawaii Revised Statutes, is
- 2 amended by amending subsection (a) to read as follows:
- 3 "(a) The [commission] authorizer shall [develop procedures
- 4 for obtaining require charter schools to obtain verifiable
- 5 information regarding the criminal history of persons who are
- 6 employed or seeking employment in any position, including
- 7 teacher trainees, that places them in close proximity to
- 8 children[. These procedures shall include], including criminal
- 9 history record checks in accordance with section 846-2.7.
- 10 Information obtained pursuant to this subsection shall be used
- 11 exclusively by the [employer or prospective employer] charter
- 12 school for the purpose of determining whether a person is
- 13 suitable for working in close proximity to children. All such
- 14 decisions shall be subject to applicable federal laws and
- 15 regulations."
- 16 SECTION 12. Section 302D-34, Hawaii Revised Statutes, is
- 17 amended by amending subsection (b) to read as follows:
- 18 "(b) A start-up charter school:
- 19 (1) Shall be open to any student residing in the State who
- is entitled to attend a department school;

1	(2)	Shall enroll all students who submit an application,
2		unless the number of students who submit an
3		application exceeds the capacity of a program, class,
4		grade level, or building; provided that a student who
5		is currently enrolled in a charter school that has
6		been notified of the prospect of revocation in
7		accordance with section 302D-18, or is closing in
8		accordance with section 302D-19, whichever occurs
9		first, shall be given first priority to enroll at
10		another charter school to which the student applies,
11		or placed at the top of the waitlist for enrollment;
12	(3)	Shall select students through a public lottery if, as
13		described in paragraph (2), capacity is insufficient
14		to enroll all students who have submitted a timely
15		application;
16	(4)	May give an enrollment preference to students within a
17		given age group or grade level and may be organized
18		around a special emphasis, theme, or concept as stated
19		in the charter school's application and as approved by
20		the charter school's authorizer;

1	(5)	May give an enrollment preference to students enrolled
2		in the charter school during the previous school year
3		and to siblings of students already enrolled at the
4		charter school; [and]
5	(6)	May give an enrollment preference through a weighted
6		lottery to educationally disadvantaged students. For
7		the purposes of this paragraph, "weighted lottery"
8		means any lottery that gives additional weight to
9		individual students who are identified as part of a
10		specified set of students but does not reserve or set
11		aside seats for individual students or sets of
12		students. For the purposes of this paragraph,
13		"educationally disadvantaged students" means students
14		who are economically disadvantaged, students with
15		disabilities, migrant students, limited English
16		proficient students, neglected or delinquent students,
17		and homeless students; and
18	[ <del>(6)</del> ]	(7) May give any other enrollment preference
19	,	permitted by the charter school's authorizer, on an
20		individual charter school basis, if consistent with
21		law;

- 1 provided that nothing in this subsection shall preclude the
- 2 formation of a start-up charter school whose mission is focused
- 3 on serving students with disabilities, who are of the same
- 4 gender, who pose such severe disciplinary problems that they
- 5 warrant a specific educational program, or who are at a risk of
- 6 academic failure."
- 7 SECTION 13. Section 302D-14, Hawaii Revised Statutes, is
- 8 repealed.
- 9 ["\frac{\\$302D-14}{conversion charter schools; establishment. (a)
- 10 A conversion charter school may be established pursuant to this
- 11 section.
- 12 (b) Any department school, school community council, group
- 13 of teachers, group of teachers and administrators, or nonprofit
- 14 organization may submit a letter of intent to an authorizer to
- 15 convert a department school to a charter school, establish a
- 16 governing board as its governing body, and develop a charter
- 17 application pursuant to subsection (d).
- 18 (c) The conversion charter school charter application
- 19 process and schedule shall be determined by the authorizer, and
- 20 shall provide for and include the following elements:

1	<del>(1)</del>	The submission of a letter of intent to convert to a
2		charter school;
3	<del>(2)</del>	The availability of the charter application form and
4		completion guidelines on the authorizer's website;
5	<del>(3)</del>	The timely submission of a completed charter
6		application to the authorizer; provided that the
7		charter application shall include certification and
8		documentation that the charter application was
9		approved by a majority of the votes cast by existing
10		administrative, support, and teaching personnel, and
11		parents of students at the existing department school;
12		provided that:
13		(A) This vote shall be considered by the authorizer
14		to be the primary indication of the existing
15		administrative, support, and teaching personnel,
16		and parents' approval to convert to a charter
17		school;
18		(B) The balance of stakeholders represented in the
19		vote and the extent of support received in
20		support of the conversion shall be key factors,
21		along with the applicant's proposed plans, to be

1		considered by the authorizer when deciding
2		whether to award a charter; and
3		(C) A breakdown of the number of administrative,
4		support, and teaching personnel, and parents of
5		students who constitute the existing department
6		school and the number who actually participated
7		in the vote shall be provided to the authorizer;
8	<del>(4)</del>	The timely review of the charter application by the
9		authorizer for completeness, and notification by the
10		authorizer to the governing board that the charter
11		application is complete;
12	<del>(5)</del>	Upon receipt of a completed charter application, the
13		review and evaluation of the charter application by
14		qualified persons;
15	<del>(6)</del>	Following the review and evaluation of a charter
16		application, approval or denial of the charter
17		application by the authorizer;
18	<del>(7)</del>	A provision for a final date by which a decision of
19		whether to approve or deny a charter application must
20	•	be made by the authorizer, upon receipt of a complete
21		charter application; and

1	<del>(8)</del> -	A provision that no conversion charter school may
2		begin operation before obtaining authorizer approval
3		of its charter and charter contract and fulfilling
4		pre opening requirements that may be imposed by the
5		authorizer.
6	<del>(d)</del>	A charter application to become a conversion charter
7	school sh	all meet the requirements of this subsection and
8	section 3	02D 25. The charter application shall include, at a
9	minimum,	the following:
10	(1)	A description of employee rights and management issues
11		and a framework for addressing those issues that
12		protects the rights of employees;
13	<del>(2)</del>	A plan for identifying, recruiting, and retaining
14		highly qualified instructional faculty, as defined by
15		the department;
16	<del>(3)</del>	A plan for identifying, recruiting, and selecting
17		students that is not exclusive, elitist, or
18		segregationist, and complies with this chapter;
19	<del>(4)</del>	The curriculum and instructional framework to be used
20		to achieve student outcomes, including an assessment
21		<del>plan;</del>

1	<del>(5)</del>	A pl	an for the assessment of student, administrative
2		supp	ort, and teaching personnel performance that:
3		<del>(A)</del>	Recognizes the interests of the general public;
4		<del>(B)</del>	Incorporates or exceeds the educational content
5			and performance standards developed by the
6			department for the public school system;
7		<del>(C)</del>	Includes a system of faculty and staff
8			accountability that holds faculty and staff
9			individually and collectively accountable for
10			their performance, and that is at least
11			equivalent to the average system of
12			accountability in public schools throughout the
13			State; and
14		<del>(D)</del>	Provides for program audits and annual financial
15			audits;
16	<del>(6)</del>	A-go	vernance structure for the charter school that
17		inco	rporates a conflict of interest policy and a plan
18		for	periodic training to carry out the duties of
19		<del>gove</del>	rning board members;
20	<del>(7)</del>	A de	scription of the constitution of the governing
21		<del>boar</del>	d, terms of governing board members, and the



1		process by which governing board members were
2		selected;
3	<del>(8)</del>	A financial plan based on the most recent fiscal
4		year's per-pupil charter school allocation that
5	·	demonstrates the ability to meet the financial
6		obligations of one-time, start-up costs and ongoing
7		costs such as monthly payrolls, faculty recruitment,
8		professional development, and facilities costs; and
9	<del>(9)</del>	A facilities plan.
10	<del>(e)</del>	A nonprofit organization may submit a letter of intent
11	to an aut	horizer to convert a department school to a conversion
12	<del>charter s</del>	chool, operate and manage the school, establish a
13	<del>governing</del>	board as its governing body, and develop a charter
14	<del>applicati</del>	on pursuant to subsection (d); provided that:
15	<del>(1)</del>	As the governing body of the conversion charter
16		school, the governing board shall be the board of
17		directors of the nonprofit organization and shall not
18		be selected pursuant to section 302D-12. The
19		nonprofit organization may also appoint advisory
20		groups of community representatives for each school
21		managed by the nonprofit organization; provided that

1		thes	e groups shall not have governing authority over
2		the	school and shall serve only in an advisory
3		<del>capa</del>	city to the nonprofit organization;
4	<del>(2)</del>	The-	charter application for each conversion charter
5		scho	ol to be operated by the nonprofit organization
6		shal	l be formulated, developed, and submitted by the
7		nonp	rofit organization, and shall be approved by a
8		<del>majo</del>	rity of the votes cast by existing administrative,
9		supp	ort, and teaching personnel, and parents of
10		stud	ents of the existing department school; provided
11		that	÷
12		<del>(A)</del>	This vote shall be considered by the authorizer
13			to be the primary indication of the existing
14			administrative, support, and teaching personnel,
15			and parents! approval to convert to a charter
16			school;
17		<del>(B)</del>	The balance of stakeholders represented in the
18			vote and the extent of support received in
19			support of the conversion shall be a key factor,
20			along with the applicant's proposed plans, in an
21			authorizer's decision to award a charter; and

1		(C) A breakdown of the number of administrative,
2		support, and teaching personnel, and parents of
3		students who constitute the existing department
4		school and the number who actually participated
5		in the vote shall be provided to the authorizer;
6	<del>(3)</del>	The board of directors of the nonprofit organization,
7		as the governing body for the conversion charter
8		school that it operates and manages, shall have the
9		same protections that are afforded to the board in its
10		role as the conversion charter school governing body;
11	<del>(4)</del>	Any conversion charter school that is managed and
12		operated by a nonprofit organization shall be eligible
13		for the same federal and state funding as other public
14		schools; provided that nothing in this section shall
15		prohibit a nonprofit organization from making a
16		contribution toward the operation of a conversion
17		charter school; and
18	(5)	If, at any time, the board of directors of the
19		nonprofit organization governing the conversion
20		charter school votes to discontinue its relationship
21		with the charter school, the charter school may submit

1		a revised charter application to the authorizer to
2		continue as a conversion charter school without the
3		participation of the nonprofit organization.
4	<del>(f)</del>	Any nonprofit organization that seeks to manage or
5	<del>operate a</del>	conversion charter school as provided in subsection
6	<del>(e) shall</del>	comply with the following at the time of charter
7	applicati	on:
8	<del>(1)</del>	Have bylaws or policies that describe the manner in
9		which business is conducted and policies that relate
10		to the management of potential conflict of interest
11		situations;
12	<del>(2)</del>	Have experience in the management and operation of
13	ı	public or private schools or, to the extent necessary,
14		agree to obtain appropriate services from another
15		entity or entities possessing such experience;
16	(3)	Comply with all applicable federal, state, and county
17		laws, including licensure or accreditation, as
18		applicable; and
19	<del>(4)</del>	Comply with any other requirements prescribed by the
20		department to ensure adherence with applicable

1	federal, state, and county laws, and the purposes of
2	this chapter.
3	(g) In reviewing a charter application for a charter under
4	this section, an authorizer shall take into consideration the
5	constitution of the applicant's governing board, terms of
6	governing board members, and the process by which governing
7	board members were selected.
8	(h) In the event of a conflict between the provisions in
9	this section and other provisions in this chapter, this section
10	shall-control.
11	(i) In reviewing charter applications for a charter under
12	this section, an authorizer shall develop a schedule to approve
13	or deny a charter application by the end of the calendar year
14	for purposes of meeting any deadlines to request funding from
15	the legislature."]
16	SECTION 14. Statutory material to be repealed is bracketed
17	and stricken. New statutory material is underscored.
18	SECTION 15. This Act shall take effect upon its approval.

#### Report Title:

Public Charter Schools; Charter Schools Commission

#### Description:

Amends the chapter governing public charter schools to align the requirements for start-up and conversion charter schools. Defines "applicant governing board" and makes conforming amendments. Makes other housekeeping amendments. (SD2)

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